

AMENDED IN SENATE APRIL 18, 2013

SENATE BILL

No. 788

Introduced by Committee on Transportation and Housing (Senators DeSaulnier (Chair), Beall, Cannella, Gaines, Galgiani, ~~Hill~~, Hueso, Lara, Liu, Pavley, Roth, and Wyland)

February 22, 2013

An act to *amend Section 21080 of the Public Resources Code, to amend Section 6480.1 of the Revenue and Taxation Code, to amend Sections 368, 374, 386, and 890.4 of, and to add Section 73.2 to, the Streets and Highways Code, and to amend ~~Section~~ Sections 5022, 5023, 5101.7, 5106, and 14606 of, to add Sections 385.2 and 385.3 to, and to repeal Sections 378 and 379 of, the Vehicle Code, relating to transportation.*

LEGISLATIVE COUNSEL'S DIGEST

SB 788, as amended, Committee on Transportation and Housing. Transportation.

(1) The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect. Existing law exempts certain activities from CEQA, including a project for the institution or increase of passenger or commuter services on rail or highway rights-of-way already in use, including modernization of existing stations and parking facilities.

This bill would define the term "highway" for these purposes.

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(2) Existing law requires that on July 1 of each succeeding year, the prepayment rate *of the retail sales tax* per gallon for aircraft jet fuel, rounded to the nearest \$0.005, be established by the State Board of Equalization based upon 80% of the combined state and local sales tax rate ~~and the California Constitution~~, as specified, on the arithmetic average selling price, excluding sales and state excise taxes, as determined by the board. Existing law requires the board to make its determination of the rate no later than March 1 of the year prior to the effective date of the new rate. ~~Existing law requires the rate of the prepayment required to be collected for aircraft jet fuel be equal to 80% of the arithmetic average selling price of aircraft jet fuel as specified by industry publications.~~ Existing law requires that immediately upon making its determination and setting of the rate, the board must each year, no later than May 1, notify every supplier, wholesaler, and retailer of aircraft jet fuel. Existing law permits the board to readjust the rate in the event the price of aircraft jet fuel decreases or increases, and the established rate results in prepayments that consistently exceed or are significantly lower than the retailers' sales tax liability.

This bill would revise the provision that requires the board to make its determination of the rate no later than March 1 of the year prior to the effective date of the new rate, and instead would require this determination to be made no later than March 1 of the same year as the effective date of the new rate.

(3) *Existing law gives the Department of Transportation full possession and control of all state highways. Existing law describes the authorized routes in the state highway system and establishes a process for adoption of a highway on an authorized route by the California Transportation Commission. Existing law authorizes the commission to relinquish certain state highway segments to local agencies.*

This bill would authorize the commission to relinquish portions of State Highway Routes 68, 74, and 86 to local agencies under certain conditions. This bill would also authorize the commission to relinquish a portion of State Highway Route 25 in the City of Hollister to that city prior to relocation of that route to a proposed new easterly bypass alignment, under certain conditions, and would thereafter require the commission to adopt the new bypass alignment into the state highway system, as specified. This bill would require all of these relinquishments to be done at no cost to the state, unless the commission makes a finding of need.

(4) Existing law defines “bikeway” for certain purposes to mean all facilities that provide primarily for bicycle travel. Existing law categorizes bikeways into 3 classes of facilities.

This bill would make various modifications to these provisions.

(5) Existing law defines the terms “logging dolly” and “logging vehicle” for purposes of the Vehicle Code.

This bill would renumber these provisions and revise the definition of “logging dolly.”

(6) Existing law authorizes the Department of Motor Vehicles to issue various specialized license plates, including license plates commemorating the Olympics. Existing law also provides for the issuance of substitute or duplicate Olympic license plates under certain conditions, and for issuance of Olympic plates as environmental license plates with a special series of letters or numbers. Existing law allows an existing holder of Olympic license plates to renew them or transfer them to another vehicle.

This bill would provide that substitute or duplicate Olympic license plates shall not be available beginning on January 1, 2014. The bill would provide for the department to issue regular series plates whenever holders of Olympic plates request substitute or duplicate plates, and, in that regard, would also authorize holders of Olympic plates issued as environmental license plates to apply for other special license plates to be issued with the same combination of letters or numbers as appear on their Olympic plates. The bill would make other conforming changes.

(7) Existing law provides for certain revenues derived from Olympic license plates to be deposited in the California Olympic Training Account in the General Fund. Existing law requires the Controller to annually transfer the moneys in that account to the General Fund.

This bill would instead provide for deposit of those revenues directly into the General Fund.

~~(2)~~

(8) Existing law prohibits a person from employing, hiring, knowingly permitting, or authorizing any person to drive a motor vehicle owned by him or her or under his or her control upon the highways unless that person is licensed for the appropriate class of vehicle to be driven. Existing law requires that whenever a person fails to qualify, on reexamination, to operate a commercial motor vehicle, an employer shall report that failure to the Department of Motor Vehicles within 10 days. Existing law requires that, until January 30, 2014, if a driver has no medical certification status information in the Commercial Driver

License Information System motor vehicle record obtained from the driver's state licensing agency, the employing motor carrier may accept as proof of medical certification a medical examiner's certificate issued to that driver prior to January 30, 2012. Existing law, operative January 1, 2014, requires an employer to obtain from a driver required to have a commercial driver's license or commercial endorsement a copy of the driver's medical certification before allowing the driver to operate a commercial motor vehicle. Existing law requires the employer to retain the certification as part of a driver qualification file.

This bill would change the provision with an operative date of January 1, 2014, to *instead become operative on* January 30, 2014.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 21080 of the Public Resources Code is
2 amended to read:

3 21080. (a) Except as otherwise provided in this division, this
4 division shall apply to discretionary projects proposed to be carried
5 out or approved by public agencies, including, but not limited to,
6 the enactment and amendment of zoning ordinances, the issuance
7 of zoning variances, the issuance of conditional use permits, and
8 the approval of tentative subdivision maps unless the project is
9 exempt from this division.

10 (b) This division does not apply to any of the following
11 activities:

12 (1) Ministerial projects proposed to be carried out or approved
13 by public agencies.

14 (2) Emergency repairs to public service facilities necessary to
15 maintain service.

16 (3) Projects undertaken, carried out, or approved by a public
17 agency to maintain, repair, restore, demolish, or replace property
18 or facilities damaged or destroyed as a result of a disaster in a
19 disaster-stricken area in which a state of emergency has been
20 proclaimed by the Governor pursuant to Chapter 7 (commencing
21 with Section 8550) of Division 1 of Title 2 of the Government
22 Code.

23 (4) Specific actions necessary to prevent or mitigate an
24 emergency.

1 (5) Projects which a public agency rejects or disapproves.

2 (6) Actions undertaken by a public agency relating to any
3 thermal powerplant site or facility, including the expenditure,
4 obligation, or encumbrance of funds by a public agency for
5 planning, engineering, or design purposes, or for the conditional
6 sale or purchase of equipment, fuel, water (except groundwater),
7 steam, or power for a thermal powerplant, if the powerplant site
8 and related facility will be the subject of an environmental impact
9 report, negative declaration, or other document, prepared pursuant
10 to a regulatory program certified pursuant to Section 21080.5,
11 which will be prepared by the State Energy Resources Conservation
12 and Development Commission, by the Public Utilities Commission,
13 or by the city or county in which the powerplant and related facility
14 would be located if the environmental impact report, negative
15 declaration, or document includes the environmental impact, if
16 any, of the action described in this paragraph.

17 (7) Activities or approvals necessary to the bidding for, hosting
18 or staging of, and funding or carrying out of, an Olympic games
19 under the authority of the International Olympic Committee, except
20 for the construction of facilities necessary for the Olympic games.

21 (8) The establishment, modification, structuring, restructuring,
22 or approval of rates, tolls, fares, or other charges by public agencies
23 which the public agency finds are for the purpose of (A) meeting
24 operating expenses, including employee wage rates and fringe
25 benefits, (B) purchasing or leasing supplies, equipment, or
26 materials, (C) meeting financial reserve needs and requirements,
27 (D) obtaining funds for capital projects necessary to maintain
28 service within existing service areas, or (E) obtaining funds
29 necessary to maintain those intracity transfers as are authorized
30 by city charter. The public agency shall incorporate written findings
31 in the record of any proceeding in which an exemption under this
32 paragraph is claimed setting forth with specificity the basis for the
33 claim of exemption.

34 (9) All classes of projects designated pursuant to Section 21084.

35 (10) A project for the institution or increase of passenger or
36 commuter services on rail or highway rights-of-way already in
37 use, including modernization of existing stations and parking
38 facilities. *For purposes of this paragraph, "highway" shall have*
39 *the same meaning as defined in Section 360 of the Vehicle Code.*

1 (11) A project for the institution or increase of passenger or
2 commuter service on high-occupancy vehicle lanes already in use,
3 including the modernization of existing stations and parking
4 facilities.

5 (12) Facility extensions not to exceed four miles in length which
6 are required for the transfer of passengers from or to exclusive
7 public mass transit guideway or busway public transit services.

8 (13) A project for the development of a regional transportation
9 improvement program, the state transportation improvement
10 program, or a congestion management program prepared pursuant
11 to Section 65089 of the Government Code.

12 (14) Any project or portion thereof located in another state
13 which will be subject to environmental impact review pursuant to
14 the National Environmental Policy Act of 1969 (42 U.S.C. Sec.
15 4321 et seq.) or similar state laws of that state. Any emissions or
16 discharges that would have a significant effect on the environment
17 in this state are subject to this division.

18 (15) Projects undertaken by a local agency to implement a rule
19 or regulation imposed by a state agency, board, or commission
20 under a certified regulatory program pursuant to Section 21080.5.
21 Any site-specific effect of the project which was not analyzed as
22 a significant effect on the environment in the plan or other written
23 documentation required by Section 21080.5 is subject to this
24 division.

25 (c) If a lead agency determines that a proposed project, not
26 otherwise exempt from this division, would not have a significant
27 effect on the environment, the lead agency shall adopt a negative
28 declaration to that effect. The negative declaration shall be prepared
29 for the proposed project in either of the following circumstances:

30 (1) There is no substantial evidence, in light of the whole record
31 before the lead agency, that the project may have a significant
32 effect on the environment.

33 (2) An initial study identifies potentially significant effects on
34 the environment, but (A) revisions in the project plans or proposals
35 made by, or agreed to by, the applicant before the proposed
36 negative declaration and initial study are released for public review
37 would avoid the effects or mitigate the effects to a point where
38 clearly no significant effect on the environment would occur, and
39 (B) there is no substantial evidence, in light of the whole record

1 before the lead agency, that the project, as revised, may have a
2 significant effect on the environment.

3 (d) If there is substantial evidence, in light of the whole record
4 before the lead agency, that the project may have a significant
5 effect on the environment, an environmental impact report shall
6 be prepared.

7 (e) (1) For the purposes of this section and this division,
8 substantial evidence includes fact, a reasonable assumption
9 predicated upon fact, or expert opinion supported by fact.

10 (2) Substantial evidence is not argument, speculation,
11 unsubstantiated opinion or narrative, evidence that is clearly
12 inaccurate or erroneous, or evidence of social or economic impacts
13 that do not contribute to, or are not caused by, physical impacts
14 on the environment.

15 (f) As a result of the public review process for a mitigated
16 negative declaration, including administrative decisions and public
17 hearings, the lead agency may conclude that certain mitigation
18 measures identified pursuant to paragraph (2) of subdivision (c)
19 are infeasible or otherwise undesirable. In those circumstances,
20 the lead agency, prior to approving the project, may delete those
21 mitigation measures and substitute for them other mitigation
22 measures that the lead agency finds, after holding a public hearing
23 on the matter, are equivalent or more effective in mitigating
24 significant effects on the environment to a less than significant
25 level and that do not cause any potentially significant effect on the
26 environment. If those new mitigation measures are made conditions
27 of project approval or are otherwise made part of the project
28 approval, the deletion of the former measures and the substitution
29 of the new mitigation measures shall not constitute an action or
30 circumstance requiring recirculation of the mitigated negative
31 declaration.

32 (g) Nothing in this section shall preclude a project applicant or
33 any other person from challenging, in an administrative or judicial
34 proceeding, the legality of a condition of project approval imposed
35 by the lead agency. If, however, any condition of project approval
36 set aside by either an administrative body or court was necessary
37 to avoid or lessen the likelihood of the occurrence of a significant
38 effect on the environment, the lead agency's approval of the
39 negative declaration and project shall be invalid and a new
40 environmental review process shall be conducted before the project

1 can be reapproved, unless the lead agency substitutes a new
2 condition that the lead agency finds, after holding a public hearing
3 on the matter, is equivalent to, or more effective in, lessening or
4 avoiding significant effects on the environment and that does not
5 cause any potentially significant effect on the environment.

6 **SECTION 1.**

7 *SEC. 2.* Section 6480.1 of the Revenue and Taxation Code is
8 amended to read:

9 6480.1. (a) At any time that motor vehicle fuel tax or diesel
10 fuel tax is imposed or would be imposed, but for the dyed diesel
11 fuel exemption in paragraph (1) of subdivision (a) of Section
12 60100, or the train operator exemption in paragraph (7) of
13 subdivision (a) of Section 60100 or paragraph (11) of subdivision
14 (a) of Section 7401, or, pursuant to subdivision (f) of Section 6480,
15 would be deemed to be imposed, on any removal, entry, or sale in
16 this state of motor vehicle fuel, aircraft jet fuel, or diesel fuel, the
17 supplier shall collect prepayment of retail sales tax from the person
18 to whom the motor vehicle fuel, aircraft jet fuel, or diesel fuel is
19 sold. However, if no sale occurs at the time of imposition of motor
20 vehicle fuel tax or diesel fuel tax, the supplier shall prepay the
21 retail sales tax on that motor vehicle fuel, aircraft jet fuel, or diesel
22 fuel. The prepayment required to be collected by the supplier
23 constitutes a debt owed by the supplier to this state until paid to
24 the board, until satisfactory proof has been submitted to prove that
25 the retailer of the fuel has paid the retail sales tax to the board, or
26 until a supplier or wholesaler who has consumed the fuel has paid
27 the use tax to the board. Each supplier shall report and pay the
28 prepayment amounts to the board, in a form as prescribed by the
29 board, in the period in which the fuel is sold. On each subsequent
30 sale of that fuel, each seller, other than the retailer, shall collect
31 from his or her purchaser a prepayment computed using the rate
32 applicable at the time of sale. Each supplier shall provide his or
33 her purchaser with an invoice for, or other evidence of, the
34 collection of the prepayment amounts which shall be separately
35 stated thereon.

36 (b) (1) A wholesaler shall collect prepayment of the retail sales
37 tax from the person to whom the motor vehicle fuel, aircraft jet
38 fuel, or diesel fuel is sold. Each wholesaler shall provide his or
39 her purchaser with an invoice for or other evidence of the collection

1 of the prepayment amounts, which shall be separately stated
2 thereon.

3 (2) Each wholesaler shall report to the board, in a form as
4 prescribed by the board and for the period in which the motor
5 vehicle fuel, aircraft jet fuel, or diesel fuel was sold, all of the
6 following:

7 (A) The number of gallons of fuel sold and the amount of sales
8 tax prepayments collected by the wholesaler.

9 (B) The number of tax-paid gallons purchased and the amount
10 of sales tax prepayments made by the wholesaler.

11 (C) In the event that the amount of sales tax prepayments
12 collected by the wholesaler is greater than the amount of sales tax
13 prepayments made by the wholesaler, then the excess constitutes
14 a debt owed by the wholesaler to the state until paid to the board,
15 or until satisfactory proof has been submitted that the retailer of
16 the fuel has paid the tax to the board.

17 (c) A supplier or wholesaler who pays the prepayment and issues
18 a resale certificate to the seller, but subsequently consumes the
19 motor vehicle fuel, aircraft jet fuel, or diesel fuel, shall be entitled
20 to a credit against his or her sales and use taxes due and payable
21 for the period in which the prepayment was made, provided that
22 he or she reports and pays the use tax to the board on the
23 consumption of that fuel.

24 (d) The amount of a prepayment paid by the retailer or a supplier
25 or wholesaler who has consumed the motor vehicle fuel, aircraft
26 jet fuel, or diesel fuel to the seller from whom he or she acquired
27 the fuel shall constitute a credit against his or her sales and use
28 taxes due and payable for the period in which the sale was made.
29 Failure of the supplier or wholesaler to report prepayments or the
30 supplier's or wholesaler's failure to comply with any other duty
31 under this article shall not constitute grounds for denial of the
32 credit to the retailer, supplier, or wholesaler, either on a temporary
33 or permanent basis or otherwise. To be entitled to the credit, the
34 retailer, supplier, or wholesaler shall retain for inspection by the
35 board any receipts, invoices, or other documents showing the
36 amount of sales tax prepaid to his or her supplier, together with
37 the evidence of payment.

38 (e) The rate of the prepayment required to be collected during
39 the period from July 1, 1986, through March 31, 1987, shall be

1 four cents (\$0.04) per gallon of motor vehicle fuel distributed or
2 transferred.

3 (f) The rate of prepayment required to be collected for motor
4 vehicle fuel, aircraft jet fuel, and diesel fuel as established by the
5 board in effect on January 1, 2013, shall remain in effect through
6 June 30, 2013.

7 (g) On July 1 of each succeeding year, the prepayment rate per
8 gallon for motor vehicle fuel, rounded to the nearest one-half of
9 one cent (\$0.005), of the required prepayment shall be established
10 by the board based upon 80 percent of the combined state and local
11 sales tax rate established by Sections 6051, 6051.2, 6051.3, 6051.5,
12 7202, and 7203.1, and Section 35 of Article XIII of the California
13 Constitution on the arithmetic average selling price (excluding
14 sales tax) as reported by an industry publication of all grades of
15 gasoline sold through a self-service gasoline station. The board
16 shall make its determination of the rate no later than March 1 of
17 the same year as the effective date of the new rate. Immediately
18 upon making its determination and setting of the rate, the board
19 shall each year, no later than May 1, notify every supplier,
20 wholesaler, and retailer of motor vehicle fuel. In the event the price
21 of fuel decreases or increases or an exemption from sales tax for
22 sales of fuel is enacted, and the established rate results in or could
23 result in prepayments which consistently exceed or are significantly
24 lower than the retailers' sales tax liability, the board may readjust
25 the rate.

26 (h) On July 1 of each succeeding year, the prepayment rate per
27 gallon for aircraft jet fuel, rounded to the nearest one-half of one
28 cent (\$0.005), shall be established by the board based upon 80
29 percent of the combined state and local sales tax rate established
30 by Sections 6051, 6051.2, 6051.3, 6051.5, 7202, and 7203.1, and
31 Section 35 of Article XIII of the California Constitution on the
32 arithmetic average selling price (excluding sales and state excise
33 taxes) as determined by the board. The board shall make its
34 determination of the rate no later than March 1 of the same year
35 as the effective date of the new rate. The rate of the prepayment
36 required to be collected for aircraft jet fuel shall be equal to 80
37 percent of the arithmetic average selling price of aircraft jet fuel
38 as specified by industry publications. Immediately upon making
39 its determination and setting of the rate, the board shall each year,
40 no later than May 1, notify every supplier, wholesaler, and retailer

1 of aircraft jet fuel. In the event the price of aircraft jet fuel
2 decreases or increases, and the established rate results in
3 prepayments that consistently exceed or are significantly lower
4 than the retailers' sales tax liability, the board may readjust the
5 rate.

6 (i) On July 1 of each succeeding year, the prepayment rate per
7 gallon for diesel fuel, rounded to the nearest one-half of one cent
8 (\$0.005), shall be established by the board based upon 80 percent
9 of the combined state and local sales tax rate established by
10 Sections 6051, 6051.2, 6051.3, 6051.5, 6051.8, 7202, and 7203.1,
11 and Section 35 of Article XIII of the California Constitution on
12 the arithmetic average selling price (excluding sales and state
13 excise taxes) as determined by the board. The board shall make
14 its determination of the rate no later than March 1 of the same year
15 as the effective date of the new rate. The rate of the prepayment
16 required to be collected for diesel fuel shall be equal to 80 percent
17 of the arithmetic average selling price of diesel fuel as specified
18 by industry publications. Immediately upon making its
19 determination and setting of the rate, the board shall each year, no
20 later than May 1, notify every supplier, wholesaler, and retailer of
21 diesel fuel. In the event the rate of sales tax imposed on sales of
22 diesel fuel increases or decreases or the price of diesel fuel
23 decreases or increases, and the established rate results in or could
24 result in prepayments that consistently exceed or are significantly
25 lower than the retailers' sales tax liability, the board may readjust
26 the rate.

27 (j) (1) Notwithstanding any other provision of this section,
28 motor vehicle fuel sold by a supplier or wholesaler to a qualified
29 purchaser who, pursuant to a contract with the State of California
30 or its instrumentalities, resells that fuel to the State of California
31 or its instrumentalities shall be exempt from the prepayment
32 requirements.

33 (2) A qualified purchaser who acquires motor vehicle fuel for
34 subsequent resale to the State of California or its instrumentalities
35 pursuant to this subdivision shall furnish to the supplier or
36 wholesaler from whom the fuel is acquired an exemption
37 certificate, completed in accordance with any instructions or
38 regulations as the board may prescribe. The supplier or wholesaler
39 shall retain the certificate in his or her records in support of the

1 exemption. To qualify for the prepayment exemption, both of the
2 following conditions shall apply:

3 (A) The qualified purchaser does not take possession of the fuel
4 at any time.

5 (B) The fuel is delivered into storage tanks owned or leased by
6 the State of California or its instrumentalities via facilities of the
7 supplier or wholesaler, or by common or contract carriers under
8 contract with the supplier or wholesaler.

9 (3) For purposes of this subdivision, “qualified purchaser” means
10 a wholesaler who does not have or maintain a storage facility or
11 facilities for the purpose of selling motor vehicle fuel.

12 *SEC. 3. Section 73.2 is added to the Streets and Highways*
13 *Code, to read:*

14 *73.2. (a) Upon a determination by the commission that it is*
15 *in the best interest of the state to do so, the commission may, upon*
16 *terms and conditions approved by it, relinquish to the City of*
17 *Hollister the portion of Route 25 that is located between*
18 *Sunnyslope Road and San Felipe Road within the city limits of*
19 *that city prior to the relocation of that portion of Route 25 through*
20 *adoption of the proposed new easterly bypass alignment of Route*
21 *25, if the city agrees to accept the relinquishment.*

22 *(b) The terms and conditions imposed pursuant to subdivision*
23 *(a) shall include a requirement for the City of Hollister to maintain*
24 *within its jurisdiction signs directing motorists to the continuation*
25 *of Route 25 until such time as the new easterly bypass alignment*
26 *is adopted and opens to traffic.*

27 *(c) A relinquishment under this section shall become effective*
28 *immediately following the recording by the county recorder of the*
29 *relinquishment resolution containing the commission’s approval*
30 *of the terms and conditions of the relinquishment.*

31 *(d) On and after the effective date of the relinquishment, both*
32 *of the following shall apply:*

33 *(1) The relinquished portion of Route 25 shall cease to be a*
34 *state highway.*

35 *(2) The relinquished portion of Route 25 may not be considered*
36 *for future adoption under Section 81.*

37 *(e) The relinquishment shall be done at no cost to the state*
38 *except upon a finding of need by the commission.*

39 *(f) Upon a determination by the commission that it is in the best*
40 *interest of the state to do so, the commission shall, upon terms and*

1 *conditions approved by it, adopt into the state highway system the*
2 *proposed easterly bypass alignment for Route 25 that is located*
3 *between Sunnyside Road and San Felipe Road in the City of*
4 *Hollister. The adoption may occur at any time after the effective*
5 *date of the relinquishment pursuant to subdivision (c).*

6 *SEC. 4. Section 368 of the Streets and Highways Code is*
7 *amended to read:*

8 368. (a) Route 68 is from:

9 ~~(a)~~

10 (1) Asilomar State Beach to Route 1.

11 ~~(b)~~

12 (2) Monterey to Route 101 in Salinas.

13 (b) (1) *Upon a determination by the commission that it is in*
14 *the best interests of the state to do so, the commission may, upon*
15 *terms and conditions approved by it, relinquish to the City of*
16 *Pacific Grove or the County of Monterey the portion of Route 68*
17 *described in paragraph (1) of subdivision (a) located within the*
18 *jurisdiction of the city or the unincorporated area of the county,*
19 *respectively, if the city or county agrees to accept it.*

20 (2) *A relinquishment under this subdivision shall become*
21 *effective immediately following the county recorder's recordation*
22 *of the relinquishment resolution concerning the commission's*
23 *approval of the terms and conditions of the relinquishment.*

24 (3) *On and after the effective date of the relinquishment, both*
25 *of the following shall occur:*

26 (A) *The portion of Route 68 relinquished under this subdivision*
27 *shall cease to be a state highway.*

28 (B) *The portion of Route 68 relinquished under this subdivision*
29 *shall be ineligible for future adoption under Section 81.*

30 (4) *The city or county shall ensure the continuity of traffic flow*
31 *on the relinquished former portion of Route 68 within its*
32 *jurisdiction, including, but not limited to, any traffic signal*
33 *progression.*

34 (5) *The city or county shall maintain signs on the relinquished*
35 *former portion of Route 68 within its jurisdiction directing*
36 *motorists to the continuation of Route 68.*

37 (6) *The relinquishment shall be done at no cost to the state*
38 *except upon a finding of need by the commission.*

39 *SEC. 5. Section 374 of the Streets and Highways Code is*
40 *amended to read:*

1 374. (a) Route 74 is from:

2 (1) Route 5 near San Juan Capistrano to Route 15 near Lake
3 Elsinore.

4 (2) Route 15 near Lake Elsinore to Route 215 near Perris.

5 (3) Route 215 near Perris to the southern city limit of Palm
6 Desert.

7 (4) Highway 111 in Palm Desert to Route 10 near Thousand
8 Palms.

9 (b) The relinquished former portions of Route 74 within the
10 Cities of Palm Desert and Perris are not state highways and are
11 not eligible for adoption under Section 81. For the ~~relinquished~~
12 former portions of Route 74 *relinquished under this subdivision*,
13 the Cities of Palm Desert and Perris shall maintain within their
14 respective jurisdictions signs directing motorists to the continuation
15 of Route 74 and shall ensure the continuity of traffic flow on the
16 relinquished portions of Route 74, including any traffic signal
17 progression.

18 (c) (1) The commission may relinquish to the City of Lake
19 Elsinore the portion of Route 74 located within the city limits of
20 that city, upon terms and conditions the commission finds to be
21 in the best interests of the state.

22 (2) Any relinquishment agreement shall require that the City of
23 Lake Elsinore administer the operation and maintenance of the
24 highway in a manner consistent with professional traffic
25 engineering standards.

26 (3) Any relinquishment agreement shall require the City of Lake
27 Elsinore to ensure that appropriate traffic studies or analyses will
28 be performed to substantiate any decisions affecting the highway.

29 (4) Any relinquishment agreement shall also require the City
30 of Lake Elsinore to provide for public notice and the consideration
31 of public input on the proximate effects of any proposed decision
32 on traffic flow, residences, or businesses, other than a decision on
33 routine maintenance.

34 (5) Notwithstanding any of its other terms, any relinquishment
35 agreement shall require the City of Lake Elsinore to indemnify
36 and hold the department harmless from any liability for any claims
37 made or damages suffered by any person, including a public entity,
38 as a result of any decision made or action taken by the City of Lake
39 Elsinore, its officers, employees, contractors, or agents, with

1 respect to the design, maintenance, construction, or operation of
2 that portion of Route 74 that is to be relinquished to the city.

3 (6) A relinquishment under this subdivision shall become
4 effective immediately after the county recorder records the
5 relinquishment resolution that contains the commission's approval
6 of the terms and conditions of the relinquishment.

7 (7) On and after the effective date of the relinquishment, both
8 of the following shall occur:

9 (A) The portion of Route 74 relinquished *under this subdivision*
10 shall cease to be a state highway.

11 (B) The portion of Route 74 relinquished *under this subdivision*
12 may not be considered for future adoption under Section 81.

13 (8) The City of Lake Elsinore shall ensure the continuity of
14 traffic flow on the ~~relinquished~~ portion of Route 74 *relinquished*
15 *under this subdivision*, including any traffic signal progression.

16 (9) For ~~relinquished~~ portions of Route 74 *relinquished under*
17 *this subdivision*, the City of Lake Elsinore shall maintain signs
18 directing motorists to the continuation of Route 74.

19 (d) (1) *Notwithstanding subdivision (a), the commission may*
20 *relinquish to the City of Hemet the portion of State Highway Route*
21 *74 that is located within the city limits or the sphere of influence*
22 *of the City of Hemet, upon terms and conditions the commission*
23 *finds to be in the best interests of the state.*

24 (2) *A relinquishment under this subdivision shall become*
25 *effective immediately following the recordation by the county*
26 *recorder of the relinquishment resolution containing the*
27 *commission's approval of the terms and conditions of the*
28 *relinquishment.*

29 (3) *On and after the effective date of the relinquishment, both*
30 *of the following shall occur:*

31 (A) *The portion of State Highway Route 74 relinquished under*
32 *this subdivision shall cease to be a state highway.*

33 (B) *The portion of State Highway Route 74 relinquished under*
34 *this subdivision may not be considered for future adoption under*
35 *Section 81.*

36 (4) *The City of Hemet shall ensure the continuity of traffic flow*
37 *on the portion of State Highway Route 74 relinquished under this*
38 *subdivision, including any traffic signal progression.*

1 (5) *For portions of State Highway Route 74 relinquished under*
2 *this subdivision, the City of Hemet shall maintain signs directing*
3 *motorists to the continuation of State Highway Route 74.*

4 (6) *The relinquishment shall be done at no cost to the state*
5 *except upon a finding of need by the commission.*

6 SEC. 6. *Section 386 of the Streets and Highways Code is*
7 *amended to read:*

8 386. (a) Route 86 is from:

9 ~~(a)~~

10 (1) Route 111 to Route 8 near El Centro.

11 ~~(b)~~

12 (2) Route 8 near El Centro to Route 10 in Indio via the vicinity
13 of Brawley.

14 (b) *Upon a determination by the commission that it is in the*
15 *best interests of the state to do so, the commission may, upon terms*
16 *and conditions approved by it, relinquish the following portions*
17 *of Route 86, if the department and the applicable local agency*
18 *enter into an agreement providing for that relinquishment, as*
19 *follows:*

20 (1) *To the County of Imperial, the portion of Route 86 from the*
21 *beginning of the route at the junction of Route 111 to Duff Road.*

22 (2) *To the City of El Centro, the portion of Route 86 from Duff*
23 *Road to Treshill Road.*

24 (3) *To the City of Imperial, the portion of Route 86 from Treshill*
25 *Road to Ralph Road.*

26 (4) *To the County of Imperial, the portion of Route 86 from*
27 *Ralph Road to 0.3 mile south of Legion Road.*

28 (5) *To the City of Brawley, the portion of Route 86 from 0.3*
29 *miles south of Legion Road to 0.5 mile south of Fredericks Road.*

30 (c) *The following conditions shall apply upon relinquishment:*

31 (1) *The relinquishment shall become effective on the date*
32 *following the county recorder's recordation of the relinquishment*
33 *resolution containing the commission's approval of the terms and*
34 *conditions of the relinquishment.*

35 (2) *On and after the effective date of the relinquishment, the*
36 *relinquished portions of Route 86 shall cease to be a state highway.*

37 (3) *The portions of Route 86 relinquished under this subdivision*
38 *shall be ineligible for future adoption under Section 81.*

39 (4) *The Cities of Brawley, El Centro, and Imperial and the*
40 *County of Imperial shall ensure the continuity of traffic flow on*

1 *the relinquished portions of Route 86, including any traffic signal*
2 *progression.*

3 *(5) For the portions of Route 86 that are relinquished under*
4 *this subdivision, the Cities of Brawley, El Centro, and Imperial,*
5 *and the County of Imperial shall install and maintain, within their*
6 *respective jurisdictions, the city or county signs directing motorists*
7 *to the continuation of Route 86 to the extent deemed necessary by*
8 *the department.*

9 *(d) Following the relinquishments authorized in subdivision*
10 *(b), the portion of Route 86 from 0.5 mile south of Fredricks Road*
11 *to the north junction of Route 78 shall be redesignated as a part*
12 *of Route 78.*

13 *(e) The relinquishments authorized in subdivision (b) shall be*
14 *done at no cost to the state except upon a finding of need by the*
15 *commission.*

16 *SEC. 7. Section 890.4 of the Streets and Highways Code is*
17 *amended to read:*

18 *890.4. As used in this article, “bikeway” means all facilities*
19 *that provide primarily for bicycle travel. For purposes of this*
20 *article, bikeways shall be categorized as follows:*

21 *(a) Class I bikeways, ~~such also known as a “bike-path,”~~ paths”*
22 *or “shared-use paths,” which provide a completely separated*
23 *right-of-way designated for the exclusive use of bicycles and*
24 *pedestrians with crossflows by motorists minimized.*

25 *(b) Class II bikeways, ~~such also known as a “bike-lane,”~~ lanes,”*
26 *which provide a restricted right-of-way designated for the exclusive*
27 *or semiexclusive use of bicycles with through travel by motor*
28 *vehicles or pedestrians prohibited, but with vehicle parking and*
29 *crossflows by pedestrians and motorists permitted.*

30 *(c) Class III bikeways, ~~such also known as an onstreet or~~*
31 *offstreet “bike-route,” routes,” which provide a right-of-way*
32 *designated by signs or permanent markings and shared with*
33 *pedestrians ~~or~~ and motorists.*

34 *SEC. 8. Section 378 of the Vehicle Code is repealed.*

35 *378. A “logging dolly” is a vehicle designed for carrying logs,*
36 *having one or more axles which axles, if there be more than one,*
37 *are not more than 54 inches apart, and used in connection with a*
38 *motor truck solely for the purpose of transporting logs and securely*
39 *connected with the towing vehicle both by a reach and by the load.*

40 *SEC. 9. Section 379 of the Vehicle Code is repealed.*

1 ~~379. A “logging vehicle” is a vehicle used exclusively in the~~
2 ~~conduct of logging operations and not designed for the~~
3 ~~transportation of persons or property on a highway.~~

4 *SEC. 10. Section 385.2 is added to the Vehicle Code, to read:*

5 385.2. A “logging dolly” is a vehicle designed for carrying
6 logs, having one or more axles that, if there are more than one,
7 are not more than 54 inches apart, and used in connection with a
8 motor truck solely for the purpose of transporting logs and securely
9 connected with the towing vehicle both by a reach and by the load.

10 *SEC. 11. Section 385.3 is added to the Vehicle Code, to read:*

11 385.3. A “logging vehicle” is a vehicle used exclusively in the
12 conduct of logging operations and not designed for the
13 transportation of persons or property on a highway.

14 *SEC. 12. Section 5022 of the Vehicle Code is amended to read:*

15 5022. (a) Until December 31, 1984, ~~any~~ a person described
16 in Section 5101 may also apply for a set of commemorative 1984
17 Olympic reflectorized license plates and the department shall issue
18 those special license plates in lieu of the regular license plates. No
19 commemorative 1984 Olympic reflectorized license plates shall
20 be issued pursuant to an application therefor which is submitted
21 on or after January 1, 1985, but the holder of those plates may
22 thereafter renew or retain them, ~~obtain duplicate replacements for~~
23 ~~them~~, or transfer them to another vehicle, subject to this section.

24 (b) The commemorative 1984 Olympic reflectorized license
25 plates shall be of a distinctive design and shall be available in a
26 special series of letters or numbers, or both, as determined by the
27 department after consultation with the Los Angeles Olympic
28 Organizing Committee.

29 (c) In addition to the regular fees for an original registration or
30 renewal of registration, ~~the following~~ a special ~~fees~~ fee of twelve
31 dollars (\$12) shall be ~~paid~~ paid for the transfer of the special
32 plates to another vehicle.

33 ~~(1) One hundred dollars (\$100) for the initial issuance of the~~
34 ~~special plates.~~

35 ~~(2) Twelve dollars (\$12) for the transfer of the special plates to~~
36 ~~another vehicle.~~

37 ~~(3) Thirty dollars (\$30) for duplicate, replacement~~
38 ~~commemorative 1984 Olympic reflectorized license plates of the~~
39 ~~same number in the series.~~

1 (d) When payment of renewal fees is not required as specified
2 in Section 4000, or when the person determines to retain the plates
3 upon sale, trade, or other release of the vehicle upon which the
4 special plates have been displayed, the person shall notify the
5 department and the person may retain the special plates.

6 (e) Until December 31, 1989, duplicate, replacement plates shall
7 be identical commemorative 1984 Olympic reflectorized license
8 plates of the same letter, number, and design as originally issued.
9 However, duplicate, replacement plates of the commemorative
10 1984 Olympic reflectorized license plate series shall not be
11 available on or after January 1, 1990. Thereafter, unless otherwise
12 provided by ~~law~~ *this code*, regular series plates shall be issued for
13 the ~~regular~~ fee provided in Section 9265 whenever ~~duplicates~~
14 ~~substitute or duplicate plates are permitted under this code~~
15 *requested*.

16 (f) All revenue derived from the additional special fees provided
17 in this section shall be deposited in the California Environmental
18 License Plate Fund pursuant to Section 21191 of the Public
19 Resources Code.

20 *SEC. 13. Section 5023 of the Vehicle Code is amended to read:*

21 5023. (a) ~~A(1)~~ *Until December 31, 2013, a person described*
22 *in Section 5101 may also apply for a set of commemorative*
23 *Olympic reflectorized license plates and the department shall issue*
24 *those special license plates in lieu of regular license plates. The*
25 *commemorative Olympic reflectorized license plates shall be of*
26 *a distinctive design and shall be available in a special series of*
27 *letters or numbers, or both, as determined by the department after*
28 *consultation with the United States Olympic Committee. The*
29 *department may issue the commemorative Olympic reflectorized*
30 *license plates as environmental license plates, as defined in Section*
31 *5103, in a combination of numbers or letters, or both, as requested*
32 *by the owner or lessee of the vehicle.*

33 *(2) On or after January 1, 2014, original, substitute, or duplicate*
34 *Olympic license plates, including those issued as environmental*
35 *license plates, shall not be available. However, the holder of*
36 *Olympic license plates may thereafter renew or retain those plates,*
37 *or transfer them to another vehicle, subject to this section. Unless*
38 *otherwise provided by this code, regular series plates shall be*
39 *issued for the fee provided in Section 9265 whenever substitute or*
40 *duplicate plates are requested.*

1 (3) On or after January 1, 2014, the holder of Olympic license
2 plates issued as environmental license plates, as defined in Section
3 5103, may apply for other special license plates using the exact
4 combination of numbers or letters, or both, if authorized by this
5 code, whenever the holder requests substitute or duplicate plates.

6 (b) In addition to the regular fees for an original registration or
7 renewal of registration, the following special fees shall be paid:

8 ~~(1) Fifty dollars (\$50), inclusive of any administrative fees, for~~
9 ~~the initial issuance of the special plates.~~

10 ~~(2)~~

11 ~~(1) Fifteen dollars (\$15) for the transfer of the special plates to~~
12 ~~another vehicle.~~

13 ~~(3) Thirty-five dollars (\$35) for duplicate, replacement~~
14 ~~commemorative Olympic reflectorized license plates of the same~~
15 ~~number in the series.~~

16 ~~(4)~~

17 ~~(2) Thirty dollars (\$30) for the annual renewal of the special~~
18 ~~plates.~~

19 (c) When payment of renewal fees is not required as specified
20 in Section 4000, or when the person determines to retain the plates
21 upon sale, trade, or other release of the vehicle upon which the
22 special plates have been displayed, the person shall notify the
23 department and the person may retain the special plates.

24 (d) All revenue derived from the additional special fees provided
25 in this section, less costs incurred by the department pursuant to
26 this section, shall be deposited in the ~~California Olympic Training~~
27 ~~Account in the General Fund established pursuant to Section 7592~~
28 ~~of the Government Code.~~

29 SEC. 14. Section 5101.7 of the Vehicle Code is amended to
30 read:

31 5101.7. (a) Until December 31, 1984, any person described
32 in Section 5101 may also apply for a set of commemorative 1984
33 Olympic reflectorized license plates and the department shall issue
34 those special license plates in lieu of the regular license plates. No
35 commemorative 1984 Olympic reflectorized license plates shall
36 be issued pursuant to an application therefor which is submitted
37 on or after January 1, 1985, but the holder of those plates may
38 thereafter renew or retain them, ~~obtain duplicate replacements for~~
39 ~~them,~~ or transfer them to another vehicle, subject to this article.

(b) Except as provided in this section, the issue, renewal, cancellation, retention, and transfer of the commemorative 1984 Olympic reflectorized license plates shall be subject to the provisions of this article as if they were environmental license plates. Until December 31, 1989, duplicate, replacement plates shall be identical commemorative 1984 Olympic reflectorized license plates of the same letter, number, and design as originally issued. On and after January 1, 1990, duplicate or replacement plates shall be provided pursuant to this article.

~~(c) Notwithstanding subdivision (a) of Section 5106, in addition to the regular registration fee, the applicant shall be charged a fee of one hundred dollars (\$100) for a set of commemorative 1984 Olympic reflectorized license plates described in subdivision (d).~~

~~(d)~~
(c) Notwithstanding the color, design, and number of digit requirements of Section 5102, the department shall design the commemorative 1984 Olympic reflectorized license plates, which shall be reflectorized license plates issued pursuant to Section 4850. The commemorative 1984 Olympic reflectorized license plates shall be of a distinctive design, as determined by the department after consultation with the Los Angeles Olympic Organizing Committee, and shall be available, upon request in the application, in an indicated combination of letters or numbers, or both, and as requested as a registration number Committee.

SEC. 15. Section 5106 of the Vehicle Code is amended to read:
5106. (a) ~~Except as provided in Section 5101.7, in~~ In addition to the regular registration fee or a permanent trailer identification fee, the applicant shall be charged a fee of forty-eight dollars (\$48) for issuance of environmental license plates.

(b) In addition to the regular renewal fee or a permanent trailer identification fee for the vehicle to which the plates are assigned, the applicant for a renewal of environmental license plates shall be charged an additional fee of thirty-eight dollars (\$38). An applicant with a permanent trailer identification plate shall be charged an annual fee of thirty-eight dollars (\$38) for renewal of environmental license plates. However, applicants for renewal of prisoner-of-war special license plates issued under Section 5101.5 shall not be charged the additional renewal fee under this subdivision.

(c) When payment of renewal fees is not required as specified in Section 4000, the holder of any environmental license plate may retain the plate upon payment of an annual fee of thirty-eight dollars (\$38). The fee shall be due at the expiration of the registration year of the vehicle to which the environmental license plate was last assigned. However, applicants for retention of prisoner-of-war special license plates issued under Section 5101.5 shall not be charged the additional retention fee under this subdivision.

(d) Notwithstanding Section 9265, the applicant for a duplicate environmental license plate ~~or a duplicate, replacement commemorative 1984 Olympic reflectorized license plate~~ shall be charged a fee of thirty-eight dollars (\$38).

~~SEC. 2.~~

SEC. 16. Section 14606 of the Vehicle Code, as added by Section 7 of Chapter 670 of the Statutes of 2012, is amended to read:

14606. (a) A person shall not employ, hire, knowingly permit, or authorize any person to drive a motor vehicle owned by him or her or under his or her control upon the highways unless that person is licensed for the appropriate class of vehicle to be driven.

(b) Whenever a person fails to qualify, on reexamination, to operate a commercial motor vehicle, an employer shall report that failure to the department within 10 days.

(c) An employer shall obtain from a driver required to have a commercial driver's license or commercial endorsement a copy of the driver's medical certification before allowing the driver to operate a commercial motor vehicle. The employer shall retain the certification as part of a driver qualification file.

(d) This section shall become operative on January 30, 2014.